

September 13, 2006

VIA E-MAIL: regs.comments@federalreserve.gov

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW.,
Washington, D.C. 20551

RE: Regulation D; Docket No. R-1262
Reserve Requirements of Depository Institutions

Dear Ms. Johnson:

WesCorp appreciates the opportunity to comment on the Federal Reserve's Notice of Proposed Rulemaking regarding Regulation D. WesCorp is a corporate credit union—a wholesale credit union or a credit union for credit unions. We provide investments, credit, item processing, and electronic payment services to more than 1,000 credit unions in 43 states within our national field of membership. As a wholesale credit union, serving only natural-person credit unions, WesCorp receives the “bankers bank” designation and is thereby exempt from the reserving requirements of Regulation D.

In general, WesCorp supports the proposed rule as it will increase regulatory flexibility by allowing the Federal Reserve Board (FRB) to allow certain new customers to bankers banks, on a case by case basis. This will promote the banker's banks and their abilities to expand their services.

While WesCorp supports the proposed rule, there is at least one area where we seek clarification. The proposal lists as a criterion for special requests to the FRB, that the request be “consistent with the purposes of the Act and the bankers' bank exemption.” WesCorp respectfully suggests that it would be helpful if the FRB could better articulate the purposes of the exemption.

Another area WesCorp seeks further guidance is in the area of transparency as the proposal moves forward. The FRB proposal suggests that no standards will apply to the special requests at this time, until such time that enough special requests have come in to start formulating some general guidelines. WesCorp is interested in learning about each special request the FRB addresses, the nature of the business, and the outcome of the request as determined the FRB and why. During the period of time that the FRB is accepting the special requests on a case-by-case basis but without guidelines, it would be helpful to learn about each request coming through so as to determine in the marketplace

how best to structure a special request. This transparency is needed to learn among the banker's banks, the business rationale and the business opportunity, until such time that formal guidelines are in place.

Finally, WesCorp would welcome any further clarification of the phrase "... *do business with* ..." as it occurs in both § 19(b)(9) of the Federal Reserve Act and in 12 C.F.R. § 204.121.

Again, WesCorp appreciates the opportunity to comment on the proposed rule. Please note that our requests for clarification should not be considered a prerequisite to finalization of the rule (as is). We are in favor of the amendment, and we look forward to the possibility of this becoming a permanent final rule.

Sincerely,



Bob Siravo
President/CEO